



DEC 01 2004

Course Outline

A POLYTECHNIC INSTITUTION

School of Business

Program: Financial Management

Option:

FMGT 2540
Working Capital Management

Start Date:	March 2004	End Date:	May 2004
Total Hours:	30	Total Weeks:	10
Hours/Week:	3	Lecture:	1
		Lab:	2
Prerequisites	FMGT 2540 is a Prerequisite for:		
Course No.	Course Name	Course No.	Course Name
FMGT 1100 or			
FMGT 1105	(Min 50% grade)		

v Course Description (required)

Enables students to understand the relationships between current assets and current liabilities in different types of organizations, to appreciate the trade-offs inherent in a firm's working capital policy, and to carry out a basic analysis of a firm's working capital management in comparison to others.

v Evaluation

Mid Term Exam	30%
Final Exam	50%
Group assignment	10%
Class participation	10%
TOTAL	100%

Comments: Final Exam is cumulative with a heavier emphasis on the post mid term materials

v Verification

I verify that the content of this course outline is current.

Authoring Instructor

Date

I verify that this course outline has been reviewed.

Program Head/Chief Instructor

Date

I verify that this course outline complies with BCIT policy.

Dean/Associate Dean

Date

Note: Should changes be required to the content of this course outline, students will be given reasonable notice.

v Instructor(s)

J. Terry Gordon, BA, DipT, Office Location: SE6--361
CA, CBV Office Hrs.: As Posted

Office Phone: (604) 451-6774
E-mail Address: terry_gordon@bcit.ca

v Learning Resources

Required:

***Working Capital Management*, ISBN 0-390-33203-8, (This is a McGraw Hill Primis publication, based on chapters 6 - 8 of *Foundations of Financial Management*, 6th Canadian Edition, Block et al.)**

v Information for Students

Assignments: Late assignments, lab reports or projects will **not** be accepted for marking. Assignments must be done on an individual basis unless otherwise specified by the instructor.

Makeup Tests, Exams or Quizzes: There will be **no** makeup tests, exams or quizzes. If you miss a test, exam or quiz, you will receive zero marks. Exceptions may be made for **documented** medical reasons or extenuating circumstances. In such a case, it is the responsibility of the student to inform the instructor **immediately**.

Ethics: BCIT assumes that all students attending the Institute will follow a high standard of ethics. Incidents of cheating or plagiarism may, therefore, result in a grade of zero for the assignment, quiz, test, exam, or project for all parties involved and/or expulsion from the course.

Attendance: The attendance policy as outlined in the current BCIT Calendar will be enforced. Attendance will be taken at the beginning of each session. Students not present at that time will be recorded as absent.

Illness: A doctor's note is required for any illness causing you to miss assignments, quizzes, tests, projects, or exam. At the discretion of the instructor, you may complete the work missed or have the work prorated.

Attempts: Students must successfully complete a course within a maximum of three attempts at the course. Students with two attempts in a single course will be allowed to repeat the course only upon special written permission from the Associate Dean. Students who have not successfully completed a course within three attempts will not be eligible to graduate from the appropriate program.

Course Outline Changes: The material or schedule specified in this course outline may be changed by the instructor. If changes are required, they will be announced in class.

Lecture Notes and other Information: Lecture notes will be available through the share out directory under the FMGT2540 folder. Notes will be posted in advance of the lecture. The notes DO NOT replace attendance at lectures. They are meant to be a complement to lectures. There may also be, from time to time, other information sources on the share out directory that will be required reading.

Schedule

(This schedule is subject to change at the discretion of the instructor.)

Week of/ Number	Lecture Material	Reference/ Pre Reading	Lab Problems
March 22	Introduction & Financial Statement Analysis		Accounting review handout questions
March 29	Cash Budgets	http://www.smallbusinessbc.ca/workshop/cashflow.php	Financial statement analysis handout questions
April 5	No lecture due to Good Friday		Cash budgeting handout questions
April 12	Working Capital and the Financing Decision	- Chapter 6, pp. 1 – 28;	CH 6: Discussion Questions 1, 2, 6, 7, 10; Problems 3, 5, 9, 13
April 19	Mid Term Exam (Friday, April 23, during lecture period)	Review	Catch up and exam review
April 26	Current Asset Management	- Chapter 7, pp. 41 – 65 ; http://www.cfo.com/Article?article=10533 - “When banks say no”, <u>National Post</u> , (Handout)	Introduce group assignment, Discuss CFO.com and “When Banks Say No” articles.
May 3	Sources of Short Term Financing	- Chapter 8, pp. 81 – 104; - “Driving down working capital: Laidlaw’s story”, <u>Canadian Treasurer</u> , Aug/Sep 1999 (Handout); - “Banking 101: The basics of debt financing”, <u>Canadian Treasurer</u> , Oct/Nov. 2000. (Handout)	CH 7: Discussion Questions 1, 4, 10, 12, 15; Problems 3, 4, 8, 10, 17, 25
May 10	Inventory Management	- Chapter 7, pp. 63 – 70 ; - “Inventory: Taking Stock”, <u>Canadian Business</u> , April, 1991 (Handout)	Mini Case due, CH 8: Discussion Questions 3, 6, 8; Problems 4, 6, 13, 17, 20, 25, 28, 29
May 17	No lecture		Catch up and exam review
May 24	Final Exam		